Subsidy or reduce cost of borrowing the capital by interest reimbursement of 5%;

(ii) Forty-four Powerloom Service Centres (PSCs), established to provide services, such as designs, training, skill upgradation and the testing facilities to the powerloom weavers, are being upgraded and equipped with modern looms so as to upgrade the skills of powerloom weavers. Government has approved an outlay of Rs. 36 crores for the Tenth Plan towards modernisation and strengthening of PSCs;

(iii) Seventeen Computer Aided Design Centres in Powerloom Service Centres have been established to facilitate the creation of new designs, and improve design and production;

(iv) Powerloom Export Entitlement (PEE) quota has been provided to encourage powerloom exports; and

(v) In addition a welfare scheme for Insurance is being completed.

Amendment in WTO agreement of textiles and clothing

919. SHRI RUMANDLA RAAMACHANDRAYYA: Will the Minister of TEXTILES be pleased to state:

(a) whether even as Brussels is willing to accept India's stand that implementation of two major proposals relating to textile sector does not lead to reopening *or* amendment of the WTO Agreement on Textiles and Clothing;

(b) if so, whether US, Canada have blocked India's proposals relating to textile sector at WTO;

(c) if so, the reason therefor;

(d) how many countries have supported India's proposals on textiles; and

(e) what is the fate of India's proposal at present?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) to (e) At the Doha Ministerial Conference of the World Trade Organisation (WTO) held in November, 2001, certain decisions were taken in respect of full and faithful implementation of Agreement on Textiles and Clothing (ATC). These are contained in Paragraphs 4.1 to 4.3 of the Decision on Implementation Related Issues

and Concerns. In addition, the Doha Ministerial Conference, in paragraphs 4.4 and 4.5 of the Decision on Implementation Related Issues and Concerns requested the WTO Council for Trade in Goods (CTG) to examine two implementation proposals. One of them required the application of the most favourable methodology for "growth-on-growth" provisions while calculating the quota levels for small suppliers. The other implementation proposal, which was relevant for all restrained countries including India, required advancing the application of the higher "growth-on-growth" factor of 27%, which was otherwise due on 1 January 2002 to be applied from 1 January 2000.

The Council for Trade in Goods was to examine these proposals and to make recommendations to the General Council by July 31,2002 for appropriate action.While the examination of the two proposals was undertaken earlier this year, no recommendation could be forwarded to the General Council due to the stand taken by the restraining members including the US.

During the formal and informal discussions, India alongwith other members of the International Textiles and Clothing bureau (ITCB) had made a strong case for acceptance of these two proposals. The ITCB members had also submitted a written paper giving their concrete arguments and urging members to accept the proposals. In addition, the ITCB members had demonstrated how the balance of rights and obligations under the ATC had been titled to the detriment of developing country exporting members. It was noted that the two textile Implementation Issues were part of the overall package negotiated by Ministers at Doha and that the CTG should come out with recommendations to the General Council for appropriate action. Paragraphs 4.4 and 4.5 of the Doha Decision indicated that Ministers expected recommendations to be made.

At the 31 July 2002 General Council meeting, US stated that it had not agreed to two proposals at Doha and that its position remained unchanged.

India and other developing countries have continued to raise this issue in the various fora-including the Mini-Ministerial meeting held at Sydney on 14-15 November, 2002.

Acceptance by WTO Member Countries of the Implementation proposal on "growth-on-growth" could have led to the availability of somewhat larger market access for our exports in the US and other restraining countries.